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ITT Predicts Windfall in Chile Fiasco

The International Telephone and Telegraph Corp. has reassured its stockholders that ITT will collect $89.6 million from the U.S. government as an insurance claim for the telephone company taken from ITT by the allende government of Chile.

But the U.S. insurance agency, the Overseas Private Investment Corp. said that no decision has been made on ITT's claim and cannot be made for at least another six months.

In its annual report, issued two weeks ago, ITT said the corporation would lose $70 million beause of the Chilean property expropriated by the government there. But it assumes that $89,658,000 will be paid by OPIC, a government-backed agency which insures overseas investments against political risks such as revolutions, insurrections and expropriations where the foreign government does not pay fair compensation for the U.S. property.

ITT noted that earnings from Chiltelco were down sharply in 1971, mainly because the government of Salvador Allende had raised wages but refused to permit rate increases. The corporation predicted, therefore, that "the reinvested insurance proceeds of the Chilean divestment will more than replace the 1971 earnings.

The $89.6 million figure was listed under "current assets" as "receivable from OPIC." A spokesman at corporate headquarters in New York said this represents the company's estimate of "the minimum we could expect to recover" from the Chilean episode.

But the statements in the annual report are not meant to suggest that ITT has abandoned any effort to negotiate a settlement with the Chilean government, the ITT spokesman said. Chilean sources have claimed that ITT is not negotiating in good faith because it figured the government agency would pay its claim if there was no agreement, an accusation which ITT has denied.

Marshall T. Mays, general counsel for OPIC, declined to discuss the ITT claim, except to say, "There has not been any formal determination and there couldn't be until the year is up" from the date of the Chilean action. That means that officially OPIC could not grant ITT's claim before October of this year, according to the agency.

OPIC, Mays said, has not given any assurances to ITT about the status of its claim.

The ITT claim adds another element to the giant conglomerate's current problems with government, but it also complcates the status of OPIC, which depends on both company-paid premiums and congressional appropriations for its reserves.

This year, faced with mounting claims, OPIC has asked Congress for an additional $85 million appropriation.